

**STATE AIR POLLUTION CONTROL BOARD
ENFORCEMENT ACTION
ORDER BY CONSENT
ISSUED TO**

**Transcontinental Gas Pipe Line Corporation
Compressor Station 185
Manassas, Virginia**

Registration #71958

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code § 10.1-1307.D and 10.1-1309, between the State Air Pollution Control Board (SAPCB) and Transcontinental Gas Pipe Line Corporation (Transco), Compressor Station 185, for the purpose of resolving certain alleged violations of air permit requirements as specified in SECTION C of this Order.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. “Va. Code” means the Code of Virginia (1950), as amended.
2. “Board” means the State Air Pollution Control Board, a permanent collegial body of the Commonwealth of Virginia as described in Code §§ 10.1-1301 and 10.1-1184.

3. “Department” or “DEQ” means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.
4. “Director” means the Director of the Department of Environmental Quality.
5. “Order” means this document, also known as a Consent Order.
6. “Transco” means Transcontinental Gas Pipe Line Corporation, a Delaware corporation headquartered in Houston, Texas, which owns and operates Compressor Station 185 in Manassas, Virginia.
7. “NVRO” means the Northern Virginia Regional Office of DEQ, located in Woodbridge, Virginia.
8. “O&M” means operations and maintenance.
9. “Regulations” refers to the Regulations for the Control and Abatement of Air Pollution for the Commonwealth of Virginia.
10. “VAC” means Virginia Administrative Code.
11. “PSD” means Prevention of Significant Deterioration, a term used to describe the permitting program for criteria pollutants in attainment areas.
12. “NA” means Nonattainment Area, which are geographic areas which have been designated a nonattainment under Section 107 of the federal Clean Air Act for any pollutant for which a national ambient air quality standard exists.
13. “NSR” means New Source Review, a program for the preconstruction review and permitting of new stationary sources or expansions to existing ones in accordance with regulations promulgated to implement the requirements of Sections 110 (a)(2)(C), 165 (relating to permits in prevention of significant deterioration areas) and 173 (relating to permits in nonattainment areas) of the federal Clean Air Act.
14. “NVRO” means the Northern Virginia Regional Office of the DEQ. Mailing address is 13901 Crown Court, Woodbridge, Virginia, 22193.
15. “VOC” means Volatile Organic Compound, a precursor of the criteria pollutant ozone.
16. “CO” means Carbon Monoxide.
17. “Criteria Pollutant” means any pollutant for which there is established a national ambient air quality standard in 40 CFR Part 50.

18. “CFR” means the federal Code of Federal Regulations.

SECTION C: Findings of Fact

1. Transcontinental Gas Pipe Line Corporation (Transco) owns and operates Compressor Station 185 in Manassas, Virginia.
2. Prior to and during 1995, Transco modified Compressor Station 185 in order to implement Reasonably Available Control Technology (RACT) for nitrogen oxides (NO_x). The modification resulted in an emissions increase (future uncontrolled potential to past actual) of carbon monoxide (CO) of 493 tons per year. The modification likewise resulted in an emissions increase (future uncontrolled potential to past actual) of volatile organic compounds (VOCs) of approximately 167 tons per year.
3. According to the SAPCB Regulations for “Permits - Major Stationary Sources and Major Modifications Locating in Prevention of Significant Deterioration (PSD) Areas”:
“No owner or other person shall begin actual construction of any major stationary source or major modification without first obtaining from the board a permit to construct and operate such source” (9 VAC 5-80-1720 A).
4. SAPCB Regulation 9 VAC 5-80-1710 C defines a modification that results in an increase of 100 tons per year or more of CO, and/or 40 tons per year or more of VOC, as triggering PSD permit applicability. According to DEQ records, Transco did not apply for, or obtain, a PSD permit for CO emissions increases prior to the major NO_x RACT modification.
5. In addition, according to the SAPCB Regulations for “Permits for Major Stationary Sources and Major Modifications Locating in Nonattainment (NA) Areas”:
“No owner or other person shall begin actual construction of any major stationary source or major modification without first obtaining from the board a permit to construct and operate such source” (9 VAC 5-80-2020 A).
6. SAPCB Regulation 9 VAC 5-80-2010 C defines a modification that results in an increase 50 tons per year or more of VOC, as triggering NA permit applicability. According to DEQ records, Transco did not apply for, or obtain, an NA permit for VOC emissions increases prior to the major NO_x RACT modification.
7. Based on the emissions information provided by Transco, it appears that Transco was and is subject to PSD and NA permitting requirements for the increased VOC

and CO emissions resulting from implementing RACT.

8. DEQ issued Transco a Notice of Violation on March 6, 2000, and a Revised Notice of Violation on October 6, 2000, for not having obtained the NSR permits required for the emissions increases of CO and VOC resulting from the implementation of NO_x RACT.
9. During a meeting between DEQ and Transco staff on September 21, 2000, Transco indicated that the corporation was considering additional emissions controls for CO and VOC in order to resolve the permitting issues described above.
10. Transco also indicated during the September 21, 2000, meeting that they would submit a permit application for resolution of the permitting issues described above.
11. Based on information submitted by Transco in a letter dated November 20, 2000, Transco enjoyed no economic benefit from the implementation of NO_x RACT without obtaining the PSD and NA permits as described above.
12. On December 1, 2000, Transco submitted a permit application for resolution of the permitting issues addressed in this Order. The application includes the installation of additional air pollution control measures that will reduce CO and VOC emission levels to below NSR permitting thresholds.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code §10.1-1316(C), the Board orders, and Transcontinental Gas Pipe Line Corporation agrees, to perform the actions described in Appendices A and B of this Order.

1. In addition, the Board orders Transcontinental Gas Pipe Line Corporation, and Transcontinental Gas Pipe Line Corporation voluntarily agrees, to pay a civil charge of **\$39,690** within **30 days** of the effective date of the Order in settlement of the violations cited in this Order. Payment shall be made by check payable to the "Treasurer of Virginia", delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 10150
Richmond, Virginia 23240

or by Electronic Funds Transfer ("EFT") to the Department of Environmental Quality. Any costs of such EFT shall be the responsibility of Transco. EFT payment shall be made by electronic wire transfer to the Sun Trust Bank, (804)

270-8810, ABA #051000020, Account #201141795440004. Written confirmation must be sent to the Department of Environmental Quality, Attn: Judy Newcomb, Fiscal Office by fax transmittal at (804) 698-4178, two days prior to date of deposit.

Either on a transmittal letter or as a notation on the check, Transco shall indicate that this payment is submitted pursuant to this Order and shall include Transco's Federal Identification Number.

2. Transco shall implement the Supplemental Environmental Project (SEP) as identified in Appendix B of this Order according to the timeline provided in the Appendix. Upon completion of the SEP, pursuant to Virginia Code 10.1-1186.2, and as described in Appendix B, Transco shall within 30 days provide NVRO a completion report including actual SEP costs.

In the event that the SEP is not performed as described in Appendix B and herein above, upon notification by the Department, Transco shall pay **\$119,070**, the amount of assessed civil charge credited to Transco for the SEP, within **30 days** of such notification.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Transco, for good cause shown by Transco, or on its own motion after notice and opportunity to be heard.
2. This Order only addresses and resolves those violations specifically identified herein, including those matters addressed in the Revised Notice of Violation issued October 6, 2000. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility as may be authorized by law; or (3) taking subsequent action to enforce the Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities for matters not addressed herein.
3. For purposes of this Order and subsequent actions with respect to this Order, Transco admits the jurisdictional allegations contained herein. Transco consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
4. Transco declares it has received fair and due process under the Administrative Process Act, Va. Code §§ 9-6.14:1 *et seq.*, and the State Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any

issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to enforce this Order.

5. Failure by Transco to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
6. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
7. Transco shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Transco shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Transco shall notify the DEQ Regional Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
 - a. the reasons for the delay or noncompliance;
 - b. the projected duration of any such delay or noncompliance;
 - c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
 - d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director within 24 hours of learning of any condition above, which the parties intend to assert will result or has resulted in the impossibility of compliance, shall constitute a waiver of any claim of inability to comply with a requirement of this Order.

8. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
9. This Order shall become effective upon execution by both the Director or his designee and Transco. Notwithstanding the foregoing, Transco agrees to be bound by any compliance date, which precedes the effective date of this Order.

10. This Order shall continue in effect until the Director or Board terminates the Order in his or its sole discretion upon 30 days written notice to Transco. Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Transco from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.
11. By its signature below, Transco voluntarily agrees to the issuance of this Order.

And it is so ORDERED this day of _____, 2002.

Robert G. Burnley, Director
Department of Environmental Quality

Transco voluntarily agrees to the issuance of this Order.

By: _____

Date: _____

Commonwealth of Virginia

City/County of _____

The foregoing document was signed and acknowledged before me this ____ day of _____, 2002, by _____, who is
(name)

_____ of Transco, on behalf of the Corporation.
(title)

Notary Public

My commission expires: _____.

Appendix A

Modification and Extended Compliance Schedule for TRANSCO # 185

Day 1	April 16, 2001	Permit issued by DEQ Begin process of obtaining High Pressure Fuel Injectors (HPFi™) for first retrofit emissions reduction project
Day 171	October 4, 2001	HPFi™ installed and operational on Units 1 and 2
Day 201	November 3, 2001	HPFi™ installed and operational on Units 3 and 4
Day 231	December 3, 2001	HPFi™ installed and operational on Units 5 and 6
Day 261	January 2, 2002	HPFi™ installed and operational on Units 7 and 8
Day 291	February 1, 2002	HPFi™ installed and operational on Units 9 and 10
Day 351	April 2, 2002	Initial Compliance testing for compliance with CO and VOC emission limits specified in new permit (Units 1-10)
Day 389	May 10, 2002	Initial compliance test report submitted to DEQ (Units 1-10) Note: CO and VOC emission levels specified in the new permit were achieved for Units 6-10; VOC emission levels in the new permit were achieved for Units 1-5
Day 392-448	May 13-July 8, 2002	Begin Engine optimization process on one unit of Units 1-5
Day 449-452	July 9-12, 2002	Second compliance test conducted on optimized engine
Day 462	July 22, 2002	Second compliance test report submitted to DEQ If the compliance testing demonstrates the CO and VOC emission levels specified in the new permit were achieved, continue the engine optimization process on the remaining four engines (Units 1-5) If the compliance testing demonstrates the CO and VOC emission levels specified in the new permit were not achieved, begin installation of the catalytic oxidizers on all five units (Units 1-5)
Day 463-496	July 23, 2002-August 25, 2002	1 unit catalytic oxidizer installed and operational

Day 497-539	August 26-October 7, 2002	2 units optimized or catalytic oxidizer installed and operational
Day 540-569	October 8-November 6, 2002	2 units optimized or catalytic oxidizer installed and operational
Day 602-606	December 9-13, 2002	Final compliance testing for compliance with CO and VOC emission limits specified in new permit
Day 641	January 17, 2003	Final compliance test report submitted to DEQ

APPENDIX B

SUPPLEMENTAL ENVIRONMENTAL PROJECT

SECTION I: DESCRIPTION OF THE PROJECT

1. Transco will equip Mainline Unit 9, a 2100 horsepower Clark TLA-6 natural gas fired engine, at Station 180 in Unionville, Virginia, with High Pressure Fuel Injection (HPFITM)
2. The SEP requires permitting action on the part of DEQ prior to commencing. Transco submitted a permit application for the SEP on February 6, 2002.
3. Transco shall complete the SEP as follows:

The engine shall be modified, tested and demonstrate compliance as specified in the permit **within 180 days of the issuance of the DEQ air permit.**

The SEP is more specifically described in the February 6, 2002, letter from Mary Beth Whitfield of Transco to Alice Nelson of DEQ, attached hereto and incorporated herein by reference.

SECTION II: PROJECT COST

Transco shall perform this SEP in partial settlement of the enforcement action initiated against Transco, Station 185, for violations listed in the Notice of Violation issued on March 6, 2000. Transco shall include documentation of the expenditures made in connection with the SEP as part of the SEP Completion Report. In the event that the SEP is not performed as described in this Appendix, upon notification by the Department, Transco shall pay **\$119,070** to the Department within 30 days of such notification according to the procedures specified in Section D of the Order.

SECTION III: REPORTS AND DOCUMENTATION

A. SEP Completion Report

Transco shall submit a SEP Completion Report to the Department within 30 days of the completion of the SEP. The SEP Completion Report shall contain the following information:

1. A detailed description of the SEP as implemented;
2. A description of any operating problems encountered and the solutions thereto;
3. Itemized costs, documented by copies of purchase orders and receipts or canceled checks;
4. Certification that the SEP has been fully implemented pursuant to the provisions of this Consent Order; and,

5. A description of the environmental and public health benefits resulting from implementation of the SEP (with a quantification of the benefits and pollutant reductions, if feasible).
- B. Transco shall submit all notices and reports required by this Consent Order to the Regional Director, NVRO, Department of Environmental Quality, 13901 Crown Court, Woodbridge, Virginia, 22193, by first class mail.
- C. Transco shall maintain legible copies of documentation of the underlying research and data for any and all documents or reports submitted to the Department pursuant to this Consent Order, and shall provide the documentation of any such underlying research and data to the Department within seven days of a request for such information.
- D. In all documents or reports, including, without limitation, the SEP Completion Report, submitted to DEQ pursuant to this Consent Order, Transco shall, by its officers, sign and certify under penalty of law that the information contained in such document or report is true, accurate, and not misleading by signing the following statement:

“I certify under penalty of law and I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.”

SECTION IV: DISPOSITION OF REPORT

- A. Following receipt of the SEP Completion Report described in Section III (A) above, the Department will do one of the following: (1) accept the SEP Completion Report or; (2) reject the SEP Completion Report, notify Transco in writing, of deficiencies in the SEP Completion Report and grant an additional ten days in which to correct any deficiencies.
- B. If the Department elects to exercise option (2) above, it shall permit Transco the opportunity to object in writing to the notification of deficiency or disapproval given pursuant to this section within 10 days of receipt from the Department of the notification of objection to reach agreement on issues in contention. If agreement cannot be reached on any such issues within thirty (30) days, the Department shall provide a written statement of its final decision regarding such issues. DEQ's decision shall be binding upon Transco. Transco agrees to comply with any requirements imposed by the Department as a result of any such deficiency or failure to comply with the terms of the Consent Order.

SECTION V: FAILURE TO PERFORM

- A. The determinations of whether the SEP has been satisfactorily completed and whether the Respondent has made a good faith, timely effort to implement the SEP shall be in the sole discretion of the DEQ.
- B. Nothing in this Order shall be construed as prohibiting, altering, or in any way limiting, the ability of the Department to seek any other remedies or sanctions available by virtue of Transco's violation of this Order or of the statutes and regulations upon which this Order is based, or for Transco's violation of any applicable provision of law.

SECTION VI: MISCELLANEOUS PROVISIONS

- A. Transco agrees that DEQ may inspect the Facility at any time in order to confirm that the SEP is being undertaken in conformity with the representations made herein.
- B. Any public statement, oral or written, in print, film, or other media, made by Transco making reference to the SEP shall include the following language, "This project was undertaken in connection with the settlement of an enforcement action taken by the Department of Environmental Quality for violations of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution."
- C. This Order shall not be construed to constitute the Department's approval of the equipment or technology installed by Transco in connection with the SEP under the terms of this Order.
- D. Transco agrees not to deduct any of the expenses of the SEP from its income for tax purposes.